

AR01

Corp report

Head Office

238 Bloor Street West
Toronto 5, Ontario

Bankers

The Royal Bank of Canada

Transfer Agent and Registrar

The Canada Trust Company

Auditors

McDonald Currie and Co.
Chartered Accountants

HARVEY'S FOODS LIMITED

INTERIM REPORT

FOR THE
TWENTY-FOUR WEEKS ENDED
SEPTEMBER 10, 1972

HARVEY'S FOODS LIMITED AND SUBSIDIARY COMPANIES

INTERIM CONSOLIDATED STATEMENT OF EARNINGS

FOR THE TWENTY FOUR WEEKS ENDED SEPTEMBER 10, 1972

HARVEY'S FOODS LIMITED

TO THE SHAREHOLDERS:

Your Company's results for the twenty four weeks ended September 10, 1972 are shown in the accompanying interim statements of earnings and of source and application of funds.

A summary of these results follows under the title "Highlights".

HIGHLIGHTS

	1972	1971	% Increase 1972 over 1971
Restaurant Sales	\$7,859,000	\$6,491,000	21%
Number of Restaurants at End of Period	83	83	—
Earnings Before Income Taxes	\$ 640,289	\$ 484,869	32%
Net Earnings	\$ 333,289	\$ 256,869	30%
Net Earnings per Share	6.21¢	5¢	24%
Average Common Shares Outstanding	5,371,034	5,131,104	—
Shareholders' Equity	\$8,730,499	\$8,259,585	5.7%

We feel confident that the above trend will continue and as a mark of this confidence have begun construction of three new locations:

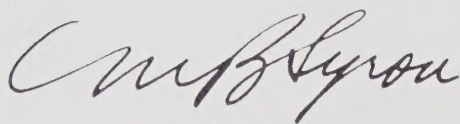
2955 Bloor Street West — Swiss Chalet

Finch Avenue — Harvey's

King & Cedar, Kitchener — Harvey's

Yours very truly,

HARVEY'S FOODS LIMITED



M. B. SYRON
President

	1972	1971
REVENUES		
Franchise Operations	\$ 767,918	\$ 901,380
Sales by Company Owned Restaurants	\$ 6,516,257	\$ 1,997,379
	<u>\$ 7,284,175</u>	<u>\$ 2,898,759</u>
EXPENSES		
Operations of Restaurants	\$ 5,886,259	\$ 1,706,682
Administrative and Other	275,204	227,556
Depreciation and Amortization	213,040	227,955
Amortization of Financing Expenses	14,550	22,613
Interest on Long Term Debt	159,209	177,180
Interest on Loans	5,624	18,258
	<u>\$ 6,553,886</u>	<u>\$ 2,380,244</u>
	\$ 730,289	\$ 518,515
Repurchase of Previously Franchised Restaurants	90,000	33,646
Earnings Before Income Taxes	\$ 640,289	\$ 484,869
Provision for Income Taxes	307,000	228,000
Net Earnings for Period	<u>\$ 333,289</u>	<u>\$ 256,869</u>

HARVEY'S FOODS LIMITED AND SUBSIDIARY COMPANIES

INTERIM CONSOLIDATED STATEMENT OF SOURCE AND USE OF WORKING CAPITAL

FOR THE TWENTY FOUR WEEKS ENDED SEPTEMBER 10, 1972

	1972	1971
SOURCE OF WORKING CAPITAL		
Net Profit for Period	\$ 333,289	\$ 256,869
Add Items Not Affecting Working Capital		
Finance Expenses Written Off	14,550	22,613
Depreciation	213,040	227,955
Collections on Long Term Receivables	23,810	41,883
Sale of Farm Equipment	—	20,614
Issue of Sinking Fund Debenture	—	1,000,000
Issue of Mortgage Debenture	1,000,000	—
	<u>\$ 1,584,689</u>	<u>\$ 1,569,934</u>
USE OF WORKING CAPITAL		
Additions to Fixed Assets	\$ 221,093	\$ 23,052
Payments on Mortgages	311,124	424,462
Payments on Equipment	—	61,015
Redemption of Debentures — Series A	—	49,100
Redemption of Debentures — Series D	—	255,000
	<u>\$ 532,217</u>	<u>\$ 812,629</u>
Increase in Working Capital	\$ 1,052,472	\$ 757,305
Working Capital Deficiency Beginning of Year	806,470	1,153,083
Working Capital (Deficiency) September 10, 1972	<u>\$ 246,002</u>	<u>(\$ 395,778)</u>